

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6103**

**BILL NUMBER:** SB 243

**NOTE PREPARED:** Jan 16, 2008

**BILL AMENDED:** Jan 16, 2008

**SUBJECT:** Tree Cutting by Utilities.

**FIRST AUTHOR:** Sen. Breaux

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires a utility to follow the standards of the American National Standards Institute in performing any tree cutting activity. The bill also requires a utility to adopt dispute resolution procedures for property owners affected by the utility's tree cutting activity. The bill requires that the procedures allow affected property owners to appeal any resolution reached to the Utility Regulatory Commission. The bill also requires a utility to give at least 21 days notice of planned tree cutting activity to: (1) the county or municipal executive of the area where the activity will occur; and (2) affected property owners. The bill prohibits a utility from performing tree cutting activity while a dispute or appeal is pending. This bill allows a utility to perform tree cutting activity: (1) without giving notice; or (2) while a dispute or appeal is pending; during certain emergencies.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** This bill will increase administrative of expenditures of the Indiana Utility Regulatory Commission (IURC) by requiring the IURC to receive the written policies of utilities concerning: (1) dispute resolution procedures for property owners affected by tree cutting activities of the utility; and (2) other rights and remedies if any the utility provide the affected property owners. The utilities have to provide these policies in electronic format to the IURC, and the IURC is required to provide access for public inspection and copying at the IURC's offices and also provide electronic access on the IURC's web site. These policies must be provided to the IURC not later than December 1, 2008. The bill also provides that the IURC has the sole authority to hear and determine complaints that a utility has failed to comply with the provision of the bill.

*Background on IURC Funding:* The operating budget of the IURC is funded by regulated utilities operating

in Indiana. The IURC determines the rate at which to bill the utilities based on the agency's budget, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.15% of their gross intra-state operating revenues to fund the IURC.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** IURC.

**Local Agencies Affected:**

**Information Sources:**

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